Secta. II-27—100,000—21-5-52.

Food & agriculture (1951) Department.

M.S. SERIES.

G.O. No. (3) 931.

Dated 10-9-49

[Despatch Abstract.]

Funds - Postwar Development Fund - Utilisation for C.D.&W. Schemes - Enquiry from Government of India - Answered - Papers recorded.

BY AIR MAIL.

Food Department,
Fort St. George,
Madras, dt.13-8-49.

My dear Krishnaswami,

You remember you rang me up on the 9th August and wanted to know whether the excess of one crore over and above the 1.5 crores which Government of India might give as subsidy could be met by diversion from the Development Fund and whether the Madras Finance Department would accept it. The implications arising out of this are not quite clear. I would therefore request you to let me know by letter what exactly your proposal would amount to in order to facilitate a proper examination of the question.

Yours sincerely,

Sd. M.A. Kuttalalingam Pillai,

To
S.Y. Krishnaswami Esq., OBE., ICS.,
Joint Secretary to the Government of India,
Ministry of Agriculture, New Delhi.

Copy of Telegram No.F.7-15/49 G.M.F. dated 11-8-49 from Agrindia (Government of India, Ministry of Agriculture) to the Commissioner of Food Production, Chepauk, Madras.

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F-7-15/49- GMF AAA REFERENCE G M F SCHEMES OF MADRAS GOVERNMENT FOR 1949-50 AAA THE CENTRAL SUBSIDY AMOUNTS TO RUPEES TWO CRORES AND SIXTY SEVEN LAKHS AMOUNT EARMARKED AS MINIMUM FOR G M F SCHEMES IN FINANCE MINISTRY LETTER NO.18(1) P/48 DATED 24TH NOVEMBER 1948 IS ONLY RUPEES ONE CRORE FIFTY LAKHS AAA EXCESS OF RUPEES ONE CRORE AND ODD WILL HAVE TO COME OUT OF DEVELOPMENT GRANT OF RUPEES 5 CRORES AAA PLEASE CONFIRM THAT MADRAS GOVERNMENT IS PREPARED FOR THIS ADJUSTMENT - AGRINDIA.

/True copy/

Sd. x x x
Superintendent.

p.t.o

D.O.No.F.7-15/49-GMF.
Ministry of Agriculture.
New Delhi, the 22nd/23rd August, 1949.

My Dear Pillai,

Will you please refer to your d.o.letter dated the 13th August, 1949 to Mr. Krishnaswamy? The position is that the total amount available from the Development Grant to Madras for 1949-50 is Rs.5 crores out of which Rs.1.5 crores is meant for G.M.F. Schemes, vide the Finance Ministry's letter No.18(1)F/48 dated the 24th November, 1948; whereas for the G.M.F.Schemes we have received for 1949-50 the Madras Government want a subsidy of Rs.2 crores and sixty seven lakhs. The excess of Rs. 1 crore and 17 lakhs cannot be sanctioned as additional and the Madras Government must find it by curtailing their Developmental programme. That decision has to be taken by the Provincial Government and in the present emergency they will, I am sure, take it. Will you kindly confirm? Until that is done we cannot sanction all your G.M.F. Schemes.

Yours sincerely,

Sd. M.C.Sharma,
Dy. Secretary.

Shri M.A. Kuthalalingam Pillai,
Secretary to the Government of Madras,
Food Department, Madras.

Food & Agricultural Dept.

The main file has been sent to Dev.(P.&D). This may be sent to them in continuation of. Their particular attention may be drawn to M above.

Sd. x x
25-8-49.

Dev.

Food & Agri. U.O.No.30678(A) L/49-5,
dt. 25-8-49.

p.t.o

FOOD (L) DEPT.

D.O.Letter No.31678 (A) L/49-8, dated 2-9-1949.

My Dear Krishnaswami,

Sub: Postwar development fund - utilisation for G.M.F. schemes.

Ref: i) My letter No. 34678 (A) L/49-1 dated 13-8-1949.

ii) Telegram F.7-15/49 G.M.F. dated 11-8-1949 to Food Production Commissioner, Madras.

iii) Sharma's D.O.F-7-15/49- G.M.F. dt.23-8-49.

I presume that the information required by you over the phone on 9-8-1949 is the same as that wanted in the telegram to the Commissioner for Food Production cited. Presuming it to be so, I am to say that this Government will be agreeable to the 'block grant' for Post War Reconstruction and Grow More Food Schemes together being limited to Rs.5 crores, so far as 1949-1950 is concerned. But in the event of this Government qualifying itself on the basis of actual expenditure for a grant substantially in excess of Rs.5 crores, this Government should be given the option to meet the cost of suitable schemes now included in the Two Year Plan from out of the Procurement Bonus paid by the Government of India already and payable in future.

So far as 1950-1951 is concerned this Government trust that the Government of India will when fixing the aggregate 'block grant' for the year, take into consideration the actual anticipated expenditure for the year on all Grow More Food schemes (including those in the Two Year Plan) and on all approved Post War Reconstruction schemes that may be in operation.

Yours sincerely,

Sd. x x x

To
Sri S.Y.Krishnaswami, I.C.S.,
Joint Secretary, to Government of India,
Ministry of Agriculture, New Delhi.
Copy to Development (P & D) DEPT.
do. Finance (P.W.R.) Department.

NOTE-FILE. Food & Agriculture Department.

SUMMARISING NOTE.

The Commr. of Food Production, Madras reported to the Govt. of India that the Central subsidy on GMF. schemes in this Province would come to about Rupee, two crores and sixty seven lakhs during 1949-50. The Govt. of India have sanctioned a block grant of Rs.5 crores to the Province for 1949-50, subject to the condition that this Govt. should earn a grant of not less than Rs.150 lakhs for GMF. schemes in the current year. According to the Food Production Commissioner's report, there will be a balance of Rs.117 lakhs, over and above the minimum of Rs.150 lakhs fixed by the Govt. of India. The Govt.of India now raise the question whether the excess amount over the minimum of Rs150 lakhs may be met from the Development fund of Rs.5 crores referred to above, in which case the amount available from that grant for other development purposes will be correspondingly less. The Board of Revenue (F.P.) states that according to the progress of work, there is no likelihood of even the Rs.150 lakhs subsidy being fully earned by this Govt. and that even if there is a little in excess, there is no serious objection to agree to meet it from the Development fund. This dept. agree with the Board's view and propose to reply to the Govt. of India accordingly. Finance dept.however point out that on the basis of the budget estimates, the amounts of grants eligible for 'Postwar' and 'G.M.F.' schemes works out to Rs.512 lakhs, that if the G.M.F. expenditure goes up as a result of the all out drive in that direction, it may eat away a portion of the grant due for postwar schemes and that in effect, we may not get 50% of our TOTAL expenditure. They therefore suggest that the Government of India may be replied on the following lines:-

"So far as '49-50 is concerned, this Govt. will be agreeable to the "block" grant for P.W.R. and G.M.F schemes together being limited to Rs.5 crores. But in the event of the actual grant this Govt. may qualify for, on the basis of actual expenditure being substantially in excess of Rs.5 crores, this Govt. should be given the option to meet the cost of suitable schemes now included in the Two year plan, from out of the procurement Bonus paid by Govt. of India already and payable in future.

r we should mix-up the
nt Bonus with this.
he G. of I. want separate Schemes
or this fund - see G.O.No.758,Fin.
t. 13-8-1949.
Sd. x x
his does not matter.
Sd. x x 24/8.

So far as '50'-51 is concerned the G. of I. should, when fixing the aggregate 'block grant' for the year, take into consideration the actual anticipated expenditure for the year on all G.M.F. Schemes (including those in the 2 year plan) and all approved P.W.R. schemes that may be in operatio

A draft letter on these lines is submitted below for approval in circulation to H.M.(Agri) and H.M.(Fin)

Dev.(P.&.D) may perhaps see before circulation.

Sd. x x 24-8-49. S. Sd. x x 24-8-49. Dev.P&D

ood & Agri.U.O.No.31678 (A) L/49-4,
dt.24-8-49.

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p.t.o

Dev. (P. & D.V) Dept.

TO A.S.

(Previous notes of this Department at pp. 1-2 ante.)

Summarising notes at pp.10-11 ante and the draft below may be perused and the case returned to Food.

Sd. x x x Sd. x x
25-8-49. 25-8-49.

Food.

Dev.U.O.No.86993 P&D V/49-1

25-8-49 ---

Dev.(P.&D V)Deptt.

The letter from the Ministry of Agriculture, and the note of Food Department on page 7 c.f. ante, may be perused. The main file referred to was returned to Food with this Department's U.O.Note No. 86993 P.&D.V/49-1 dated 25-8-1949. In that file, the department had agreed to limit the block grant for postwar Reconstruction and Grow More Food Schemes to Rs.5 crores so far as 1949-50 is concerned. It was however stipulated that in the event of the actual grant this Government may qualify for on the basis of actual expenditure, being substantially in excess of Rs.5 crores, this Government should be given the option to meet the cost of suitable schemes now included in the Two Year Plan from out of the Procurement Bonus paid by theGovernment of India already and payable in future. This condition was laid down in order that the amount available for financing postwar Reconstruction schemes should not be affected by reason of the increase in the G.M.F. expenditure. On account of the reduced financial resources available consequent on the introduction of Prohibition and other measures of an ameleorative nature, the postwar programme of this Government has already been considerably reduced. For 1949-50, the rough estimate of expenditure furnished by the Heads of Departments on postwar Development schemes aggregate to Rs.1010.08 lakhs. Though the expenditure on postwar development and Grow More Food schemes during the last two years was not satisfactory with the result that the grants for the previous years were not utilised in full, it seems likely that better progress will be maintained this year, and that at least an expenditure of Rs.700 lakhs required to qualify for the full grant of Rs.350 lakhs, will be spent on postwar development schemes. It may also be mentioned that almost all the approved postwar schemes are now in various stages of execution and it would result in an unfortunate waste of time, money and material if an attempt is to be made to curtail them at this stage. In the circumstances, it does not seem possible to agree to the suggestion of the Ministry of Agriculture at 'M' on page 7 c.f. ante., i.e., that the extra expenditure on .G.M.F. schemes should be found by curtailing the expenditure on the postwar development programme of this Government.

p.t.o

This department may adhere to the view expressed at 'K' on p. 13 ante. Food may be requested to circulate the case to H.M.(L.R.) also. The file may be returned to Food. Food may also let Finance see this case.

x x
26-8-49. S. Sd. x x x
26-8-49. Food.

Dev.U.O.No.87361 P.&.DV/49-1
dt. 26-8-1949.

Food & Agri.(d).Deptt.

To A.S.

With reference to the Development Dept. note at pp.13-14 above, it is submitted that no substantial alteration to the draft letter to India below need be made but the point at 'M' above may be brought out specifically. Subject to orders, slight modifications are indicated in the draft for approval. The case may be sent to Finance Dept. again with reference to 'S' above, before circulation.

Sd. x x
29-8-49. Sd. x x
29-8-49. Fin.

Food & Agri.U.O.No.3167 (A) L/49-6,
dt.29-8-49.

Finance (P.W.R.)Dept.

Please see the previous Finante note on pp.9-10 above and the notes following. A further D.O. has since been received from the Government of India, Ministry of Agriculture - vide p. 7 c.f.

With reference to the remarks of Development (P.&.D. V) on pp.13-14 above, Food propose to make an addition to their draft D.O. as indicated in pencil. It is submitted that the whole point of the Government of India's enquiries (by telephone, telegram and D.O.) is that this Govt. should not ask for any additional grant over and above the sum of Rs. 5 crores sanctioned for 1949-50 on the ground of a possible increase in expenditure on G.M.F. Schemes due to intensified cultivation this year. The answer to this point has already been indicated by Finance Secretary and is embodied in the draft D.O. put up by the Food Dept. It does not seem necessary to make an addition to it as indicated in pencil, as all that Government of India are interested in is to limit our claim for Central grant to Rs.5 crores for 1949-50 rather than in the curtailment of our Development programme. For orders.

From the tone of the D.O. on p. 7 c.f. it is clear that the Govt. of India are not in a mood to give us anything more than 5 crores for G.M.F. and Post-War schemes for the current year. They have even gone to the length of saying that we should CURTAIL our post-war schemes. It only shows the gravity of their economic postition. It does not seem that any useful purpose will be served by telling them bluntly

p.t.o

bluntly that their suggestion cannot be accepted. It will be more practical to get them round to agree to the suggestion of Finance Secretary that in the event of the actual grant this Govt. may qualify for on the basis of actual expenditure being substantially in excess of Rs.5 crores, we should be given the option to meet the cost of suitable schemes now included in the two year plan, from out of Procurement Bonus, paid by the Govt.ofeIndia already and payable in future. This will solve their problemxx of not being required to pay anything more than Rs.5 crores and also suit our purpose. Orders may be taken in circulation including H.M.(Finance).

Sd. x x
30-8-49.

The addition suggested by Food is unnecessary, and there is no point in contradicting the Govt. of India. when nothing is to be gained thereby.

I have suggested in pencil a small verbal alteration to para 2 of the draft put up by Food.

Sd. x x
30-8-49. Food

Fin.U.O.5629½/EWR-1,dt.30-8-49.

Food & Agri. Dept.

Yes. Sd. x x 30/8. We may omit it. Sd. x x 30/8.

For orders whether the amendments suggested by Fin. may be accepted. The addition referred to at M above was put in with reference to the note of Dev.(P.&D). on p. 14 above. Fin. advise its omission. That deptt. may see before circulation. . . . . Yes. Sd. xx 30/8.

Food & Agri. U.O.31678(A) L/48-7,dt.30-8-49.

Dev(P.&.D. V) Deptt.

TO A.S.

This Dept. last noted on pp.13-14 ante. subsequent notes of Food & Fin. and the draft below may be perused, and the file returned to Food.

Sd. x x
30-8-49. S. Sd. x x
31-8-49. Food.

Dev.U.O.No.88573 P.&.D.I/49-1,dt.31-8-49.

F.& A. Deptt.

Notes from p. 10 ante.
The draft may be circulated before issue.
Sd. x x 31/8/49.
S.
The draft below may be approved.
Sd. x x 1/9. xxdxxx H.M.(Agri). Sd.x x x1/9.
HM.(L.R.) Sd. xx 1/9.
H.M.(Fin.)Sd. xx 2/9.

(Issued as D.O.Letter No.3167(A) L/49-8,dt.2-9-1949.)

TO A.S. The D.O letter to Sri Krishnaswami has issued at p. 9 c.f. These papers may be recorded now.

*sent. "Send copies of p.9 c.f. to Dev.& Fin.(P. .R) also.
Sd. x x 7-9-49.

G.O.Ms.No.931,Food &Agri.dt.10-9-49

Funds - Postwar Development Fund - Utilisation for G.M.F.schemes - Enquiry from Government of India - Answered - Papers recorded.

/True copy.

Office Assistant

PSR. 16-xi-53.

Madras Record Office